

ECONOMY AND VALUES RESEARCH CENTER

Press release

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According to the Global Competitiveness Report, Armenia is ranked 85th among 144 countries

The Global Competitiveness Report ranks the benchmarking countries via the Global Competitiveness Index (GCI), developed by the World Economic Forum (WEF). The GCI is based on 12 pillars of competitiveness and provides a comprehensive assessment of countries' competitiveness. Rankings are based on statistical data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum together with its network of Partner Institutes in the countries covered by the report.

The Economy and Values Research Center, as a partner institute of the WEF's Global Competitiveness Network in Armenia, presents the key highlights of the Global Competitiveness Report 2014-15.

Switzerland retains the leading rank in the Global Competitiveness Report 2014-2015. Singapore, USA, Finland and Germany are the other countries in the top 5 list.

Among the group of countries of CIS (including Georgia), the Kyrgyz Republic shows significant advance (improvement by 13 places); Russia and Ukraine also advanced correspondingly by 11 and 8 places.

Global Competitiveness Index

	2014-2015 Among 144 countries	2013-2014 Among 148 countries	Change in rank
Azerbaijan	38	39	+1
Kazakhstan	50	50	0
Russia	53	64	+11
Georgia	69	72	+3
Ukraine	76	84	+8
Moldova	82	89	+7
Armenia	85	79	-6
Tajikistan	91	-	-
Kyrgyz Republic	108	121	+13

According to the Global Competitiveness Report 2014-15, Armenia ranks 85th out of 144 countries, representing decrease by 6 places in comparison with the last year. There has been a considerable improvement in the following pillars: infrastructure, higher education and training and technological readiness. Rankings by the rest of the pillars have fallen. The labor market efficiency and financial market development have recorded the largest deterioration - decrease by 20 places.

Changes in competitiveness pillars of Armenia

GCI pillars	GCI 2014-15 rank Among 144 countries	GCI 2013-14 rank Among 148 countries	Changes by
Institutions	72	65	-7
Infrastructure	78	80	+2
Macroeconomic environment/ sustainability	77	64	-13
Health and primary education	99	85	-14
Higher education and training	75	77	+2
Goods market efficiency	64	58	-6
Labor market efficiency	74	50	-24
Financial market development	97	76	-21
Technological readiness	71	72	+1
Market size	118	117	-1
Business sophistication	93	87	-6
Innovation	104	103	-1

Specific indicators which have recorded notable improvement are the following: intensity of local competition, number of days required to start a new business, mobile telephone subscriptions (per 100 pop.), internet users (%) and internet access in schools. The following indicators recorded deteriorated performance: inflation (data for 2013), availability of financial services, FDI and technology transfer, state of cluster development and legal framework.

Index	Change compared with the last year, rank	Index	Change compared with the last year, rank
HIV prevalence, % adult pop.	44	Inflation	-103*
Number of days required to start a business	25	Agriculture policy costs	-34
Intensity of local competition	17	Availability of financial services	-31
Internet users, %	13	State of cluster development	-29
Business impact of HIV/AIDS	13	FDI and technology transfer	-29
Mobile telephone subscriptions (per 100 pop.)	10	Flexibility of wage determination	-27
Internet access in schools	10	Efficiency of legal framework in challenging regulations	-22
Secondary education enrollment rate	10	Capacity for innovation	-21

*Notes: The inflation indicator for Armenia 2013 (5.8%) was used in the Report, which ranks the country 104th. In the previous report, inflation index was 2.7% (2012 data) and Armenia was ranked on the top, as the countries with up to 2.9 % inflation were top ranked.

Among significant competitive advantages of Armenia are the number of procedures and days to start a new business. Main competitive shortcomings are in the areas of export and country's capacity to retain talents.

Armenian competitiveness advantages and flaws

Significant advantages	Rank	Significant flaws	Rank
HIV prevalence, % adult pop.	1	Quality of port infrastructure	134
Number of procedures required to start business	3	Exports as a percentage of GDP	127
Number of days required to start a business	9	Foreign market size index	126
Strength of investor protection	22	Country's capacity to attract and retain talent	123
Business costs of crime	22	Government procurement of advanced tech products	121

It is noteworthy that despite GCI fall, Armenia has moved from transition stage to efficiency based stage due to growth of GDP per capita (from \$2,991 in 2012 to \$3,208 in 2013). This means that in the current stage of development, Armenia faces new challenges and new means for overcoming those. The main challenge for countries in the efficiency stage is productivity growth.

Economy and Values Research Center

Economy and Values Research Center (EV) is the research arm of EV Consulting which aims to implement new concepts of development through high profile international networks, best-qualified analysts and consultants network. The Center is specialized in comprehensive study of the macro and micro levels of competitiveness, focusing on the following key areas – national economic and sectoral strategies, foreign investment, diaspora networks and values in the business and public sectors.

EV Consulting is a business, research and financial advisory firm that serves companies and industries aspiring to move to the next level of competitiveness and innovativeness.

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